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### L. & N. DOES NOT EXPECT RIOTS

EVEN IF PRESIDENT ROOSEVELT DOES ON ITS BEHALF.

President Milton H. Smith Corrects an inaccuracy of Statement in the Letter of the President of the United States and Tells Why Economy Is Necessary.

Milton H. Smith, president of the Louisville and Nashville Railroad Company, nade this comment yesterday on President Roosevelt's second letter to the Interstate 'ammerce Commission:

In a communication from the President of the United States to the Interstate Commerce Commission, issued for publication yesterday, he directs that an investigation, under the act of Congress designated as the bedman law or not of mediation and conciliation, be made to ascertain whether proposed reductions in the pay of employees of railways, and especially of the Louisville and ashville Railroad Company, are warranted

by existing conditions.

As the United States Government, under the provisions of the act to regulate commerce, has through the Interstate Commerce Commission undertaken "the control of railway administration through the supervision of railway accounts," and as the Louisville d Nashville Railroad Company has, in comphance with the order of the commission, urnished it with annual and monthly statepents showing results of operations, the commission is in possession of the data needed to enable it to promptly advise as to the condiville Railroad justifying a reduction in the ay of officers and employees. Such data will show that during the past

six years there has been a material increase n the pay of nearly all classes of employees. the last important increase of many classes becoming effective March 1, 1907; that during the five years ended June, 1908, there was a material increase in the gross and net revenues of the company; that for the year ended June, 1907, there was a large increase in gross revenues, with a slight or nominal increase n net revenues, and for the six months ended December, 1907, there was a small increase in gross revenues, a large increase in operating expenses and a corresponding decrease in net revenues. To particularize: The gross earnings for the year ended

June, 1907, were \$48,263,945; increase over previous year, \$5,254.949. Operating expenses, \$35,781,302; increase over previous vear, \$4,847,838, leaving an increase in the net earnings of \$407,111. Adding other income and deducting taxes, fixed charges and dividends (the dividends being the same in each ear), the net surplus increased \$102,147. For the six months ended December 31,

907, there was an increase in gross earnings of \$815,877; operating expenses, \$2,542,778 net carnings decreased \$1,728,899. Adding other income and deducting taxes, fixed harges and dividends (the amount of dividends being the same in each year), there was a decrease in surplus of \$1,757,914.

The result of operations for the month of December was as follows: Gross earnings decreased \$894,948, operating expenses in creased \$296,440, net earnings decreased \$991.388. Adding other income and deducting charges against income—taxes, interest, &c., not including dividends—shows a deficit

The result exhibited in the foregoing state ments imposed upon the management the duty of reducing operating expenses in every reasonable and feasible way; and, effective February 1, 1908, the pay of officers was reduced 8 and 10 per cent, and notice issued to employees that on March I their pay would be reduced to approximately the same as they were receiving before an advance of wages effective March 1, 1907.

The President of the United States assumes that it is possible that there may be a contention between the Louisville & Nashville Railroad Company and its employees and that this may result in destruction of life and property and public disorder. I am confident that such an implication does the employees of the Louisville and Nashville Railroad Company great injustice.

During a similar depression in 1893 the

officers and employees, without exception, accepted a reduction of 20 and 10 per cent, in the pay they were then receiving, which was on a much lower basis than that in effect in February, 1907, or the basis to which it is now proposed to reduce the pay of employees. The officers and employees faithfully served the company at the reduced rates for five years, and such reduction, with other econmies, including suspension of cividends, aided in placing the company in what was believed to be a sound financial condition greatly improved credit - which has enabled the management to obtain capital by the sale of stock and bonds with which to very largely increase and enlarge its facilities to serve the public, to greatly increase the umber employed and to very materially increase their pay over what may be considered a normal basis, in effect prior to 1893 and restored in 1899.

I do not believe that the employees of the Louisville and Nashville Raliroad Company are now less loyal than they were from 1893

I am therefore justified in assuming that they will accept the moderate reduction proposed to be made on the 1st prox. without protest and that the conflict anticipated by emplated by any one connected with the

The plight of employees who retain their employment at the rates in effect one year ago, which were relatively greater than the rates they were receiving in 1900, is most fortunate compared with that of the thousands whose services have been dispensed with altogether and who are enduring enforced idleness with its unfortunate results. make the following quotation from

the President's communication, in which he quotes from a communication of a confidential haracter from the general manager of the ouisville and Nashville Railroad Company to the system chairman of the Brotherhood Locomotive Engineers and the chairman of the Order of Railway Conductors: One of them, the Louisville and Nashville,

announcing the reduction, states that the drastic laws inimical to the interests of the railroads that have in the last year or two been enacted by Congress and the State legislatures are largely or chiefly responsible for the conditions requiring the re-

The following is a more extended quotation

from the same communication:
"With the present business conditions onfronting us and with the drastic laws nimical to the interests of the railroads that have in the last year or two been enacted by congress and by the State Legislatures, which have resulted and will undoubtedly continue to result in the loss of revenue and ncreased expense, thereby greatly impairing the company's credit, it is clearly apparent that there exists an urgent necessity for reduction in the company's expenses.

From the foregoing it will be seen that the general manager of the Louisville and Nashfile Railroad Company did not assert that the legislation was "largely or . chiefly responsible for the conditions requiring the but that such legislation "has resulted and will undoubtedly continue to esult in loss of revenue and increased expense"-a statement which I am sure no one

House Chaplain Prays About the Weather. WASHINGTON, Feb. 20 .- Chaplain Couden of the House of Representatives made existing climatic and economic conditions he subject of his prayer at the opening of to-day's session. "Thou giveth snow like wool; Thou scatterest the hoar frost like sahes; Thou casteth forth ice like morsels. Who can stand before Thy cold?" he began. "In the midst of the rigors of winter hun-dreds are forced to idleness without the means of sustenance. Give us light that we may solve the economic, social and industrial problems that confront us, to the end that all who will may work and subsist. He also made appropriate reference to the death of Senator Letimer.

## A Period of Sober Reflection

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WHEN MR. BUGHER STROLLS. Bolt Thief Bolts and Citizens Claw Each

Other in Broadway. Deputy Police Commissioner Bugher, nspector George W. McCluskey and Lieut. Dobson of Commissioner Bugher's office, walking homeward in Great Jones street, opposite Shinbone alley, last evening, saw a man grab a bolt of goods off a passing truck and run. "Hey!" shouted Bugher, shaking his cane.

"Drop that!" yelled McCluskey.
Lieut. Dobson saved his wind for a sprint and pounced upon the offender before he had got very far. Bugher told William Tubsidie, the truck driver, that his cart had been robbed, whereupon Tubsidie grabbed his bale hook and jumped off his

grabbed his bale hook and jumped off his seat to investigate. At Commissioner Bugher's suggestion the party went to the Mercer street station, where the prisoner was charged with grand larceny. He described himself as Max Schwartz, 35 years old, of 635 East Thirteenth street. "I didn't get a fair show," he protested. "You'll get that in the police court in the morning," retorted Bugher. the morning," retorted Bugher.

Commissioner Bugher went his way and precisely at Forty-first street and Broadway, he came upon a man clawing another man's face while a crowd looked on. Mr. Bugher blew his whistle and Policeman Van Delft of the Broadway squad arrested

the men.
In the night court the man who had his face clawed said he was Henry J. Samson, a lawyer, now employed by the Brunswick-Balke & Collande: Company, makers of billiard supplies. He gave his address as 180 New Utrecht avenue, Brooklyn, which he said later was fictitious, as well as his name. The other man said he was George Zacuoff, an importer, of 29 West Twenty-seventh street.

seventh street.
Samson said that he had seen Zacuoff at Thirty-fourth street annoying gives who were leaving a department store, and had were leaving a department store, and told him to quit. The men quarrelled as they walked along up to Forty-first street, where the fight began and ended. Zacuoff where the fight began and that Samson said the story was untrue and that Samson had started the fight without particular cause. He had defended himself to such

account that Samson's face was badly scratched and bleeding.

Magistrate Barlow fined the fighters \$2 each. Zacuoff paid and hurried away. Samson had only \$1, so he had to go below until he got a response to his note sent out for financial aid. Mr. Bugher sat beside the Magistrate during the arraignment

TO EDUCATE HEBREW CHILDREN Harlem's New Institute Will Raise Money Through Mass Meetings.

The directors of the Harlem Educationa Institute are to hold mass meetings to raise funds to complete the building which is now being erected at 122 Fast 111th street and which is to be to Hariem what the Educational Alliance is to the lower East Side.

The first meeting will be held next Sunday evening in the new Hungarian synagogue at 14 West 116th street. The speakers will Comptroller N. Taylor Phillips, Rabbi M. S. Margolies, Rabbi H. S. Schocherr and Percival S. Menken, president of the Young Men's Hebrew Association. The directors Men's Hebrew Association. The directors of the institute say that there are 20,000 Jewish children in Harlem who are growing up without any religion and with deficient moral training. The building when comboys and girls. It will cost over \$200,000, of which \$60,000 has already been expended.

Jordan Again Heads Cotton Association. DALLAS, Tex., Feb. 20.-The annual meeting of the Southern Cotton Association ended at 11 o'clock to-night with the reelection of Harvey Jordan as president and the selection of New Orleans for the next annual convention.

Committee Favors Increase of Philippine Commission.

WASHINGTON, Feb. 20.-The House Committee on Insular Affairs to-day authorized a favorable report on a bill to increase the membership of the Philippine Commission from eight to nine. Secretary Taft was before the committee and urged that such

At present there are five American Comners and three native Filipinos. The discretion, however, to name another Com-missioner under the bill is to lie with the

Chaplain Bellows Resigns From the Navy. WASHINGTON, Feb. 20 .-- Chaplain Johnson M. Bellows, now stationed at the Boston navy yard, has resigned from the naval service. In his letter of resignation Chap-lain Bellows said he preferred to return to parochial and literary work. He entered the naval service in 1902 and is a native of

Proposed Privileges to Foreign Yachts. WASHINGTON, Feb. 20 .- Yachts belonging to recognized yacht clubs of other nations which impose no entry, clearance or tonnage dues on cruising American yachts are to receive like privileges when cruising and calling at American ports, under the provisions of a bill favorably reported to the Senate to-day by the Committee on Commerce.

The Weather.

The storm which was the cause of snow or rain in practically all States east of the Mississippi on Wednesday had its centre over Nova Scotia yesterday morning, with snow still failing early in the day in Ohlo, western Pennsylvahia, western and northern New York and northern New England. A high pressure area, with generally fair weather, covered the Gulf States and the interior, including

ortheastward. In this city there was light snow in the early morning; weather fair thereafter, colder; wind, brisk westerly; average humidity, 66 per cent.; cted to read to sea level, at 8 A.

Lowest temperature, 24', at 10:20 P. M VASSINGTON PORECAST FOR TO-DAY AND TO-MORROW For eastern New York, District of Columbia, east-

ern Pennsylvania, New Jersey, Delawars, Maryland and Verginia, fair to-day; fair and slightly warmer o-morrow; variable winds.
For New England, fair to-day; fair in southern For New England, fair to day; fair in southern bottom to morrow, with possibly local anows; fresh westerly winds becoming wariable.

For western New York, generally fair to day and to morrow, except possibly occasional snow flurries along the lakes; warmer to day in western por-

western Pennsylvania and Otto, fair and

ROOSEVELT'S RAILWAY PROBE

BEGARDED AS PART OF HIS PLAN TO FORCE TAFT'S NOMINATION.

He Might Have Availed Himself of All the Information He Seeks in the Office of the Interstate Commission to Learn the Cause of Hallronia Reducing Wages.

WASHINGTON, Feb. 20.-While public men are not inclined to discuss for publication President Roosevelt's letter directing the Interstate Commerce Commission to make an inquiry to determine the why and the wherefore of the action of railroads in reducing the wages of their employees, the latest utterance from the White House is quite generally accepted as notice that the Administration intends to leave no stone unturned to carry out its political plans. The President is represented as convinced that there is a "conspiracy" on foot among the "interests" to discredit his policies and to bring about at the psychological moment such a depression in commerce and trade as to convince the country that a continuation of "my policies" means disaster to business men and an empty dinner pail for the toiling masses.

Mr. Roosevelt has made it plain that he wants to know whether curtailment of expenses by the railroads is due to "natural causes," "unfriendly legislation" or "mis-conduct in the past financial or other operations of any railroad." He had it in his power to probe into the affairs of any railroad or all the railroads, and that he will exercise this power if he deems it necessary in the accomplishment of his purposes is not doubted by public men here.

It is regarded as significant by many people in Washington that the President failed to avail himself of information already at hand to determine whether or not the proposed reduction in wages by railroads was the result of a "conspiracy" or made necessary by a falling off in business Under the law common carriers are required to file annual reports with the Interstate Commerce Commission. These reports are comprehensive in the case of each railroad, showing in detail the amount of capital stock issued, the amounts paid therefor and the manner of paying for the same; the dividends paid and the number of stockholders; the funded and floating debts and the interest paid thereon; the cost and the value of the carriers' property, franchises and equipments; the amounts expended for improvements each year, how expended and the character of such inprovements; the earnings and receipts om each branch of business and from all sources; the operating and other expenses; the balances of profit and loss, and, to use the language of the law, "a complete exhibit of the finanical operations of the carrier, including an annual balance

All of this information, covering every tem of railroad operation for the last year, is on file in the offices of the Interstate Commerce Commission, and from it the President could have found whether the carriers were compelled to reduce wages for "natural

were compelled to reduce wages for "natural causes," or whether it was merely "misconduct" on their part.

To political Washington the purpose of the President in giving wide publicity to a determination to probe the business affairs of the railroads is obvious. He has run up a banner upon which appears the genial countenance of William H. Taft, has grasped the "big stick" firmly in his hand, has bid defiance to his enemies and has made up his mind to dictate the succession. If he fails to do this, some of his friends say, he may take the nomination himself.

There is some reason to believe that the President had no cause for alarm over the situation in the railway world. It is believed that he accumulated a mass of misinformation as to the attitude of the

misinformation as to the attitude of the railways toward their employees. For ex-ample, it is understood that he was informed by a prominent labor leader that the Chicago Great Western was one of the roads that intended to reduce the wages of its em-

It was represented to him that this syswas one of the most profitable in the United States, but that in retaliation of hostile legislation, State and national, it proposed to "even up" by pinching its employees. The best information obtainable here is that the Chicago Great Western is here is that the Chicago Great Western is not a big money maker and that it has never paid a dollar on its common stock. The first step to be teken by the Inter-state Commerce Commission in carrying out the President's orders will be to make a careful examination of the reports of the coulsville and Nashville and other roads hat have fallen under the Executive dis-deasure. This may be followed by a conference with the representatives of the rail-roads affected. In the meantime Charles P. Neill, Commissioner of Labor, has gone West to pursue that part of the investi-gation assigned to him.

RAILROAD UNIONS TO FIGHT. Approve the President's Efforts to Prevent

a Reduction in Wages. The wage reduction proposition of the railroads was taken up yesterday in this city by a committee of nineteen representing the members in this State of the Brotherhood of Locomotive Engineers, the Brotherhood of Locomotive Firemen, the Brotherhood of Railroad Trainmen, the Order of Railroad Conductors and the Order of Railroad Telegraphers. President Roosevelt's letter to the Interstate Commerce

Com-mission was discussed. It was said that the general sentiment was that a reduction of wages in view of the retrenchments of the railroads in other directions was unnecessary and will be resisted if insisted on. The meeting will be resumed to-day and a statement will be given out regarding its action late this afternoon. The following statement was made yesterday on behalf of the committee of nineteen by John Morey of the New York legislative committee of the Brotherhood of Railroad Conductors:

"The prospects are that no reductions in wages will be insisted on. The opinions expressed by President Roosevelt and his manifest desire to do what is right will have great weight. President Roosevelt appears to be actuated by a sincere desire to know if his policy is conducive to prosperity and the best interests of the nation. Meetings of committees of the railroad brotherhoods of committees of the railroad brotherhoods are being held through the State and through the country and we are keeping in touch in the different centres. Some of the committees have had encouraging conferences with railroad officials. The railroads have no excuse for retrenching by cutting the wages. They have been retrenching all along by laying off men and a cut in wages under the circumstances is not to be thought of."

President Gompers of the American Federation of Labor was in New York for several hours yesterday and before he left was asked if he had anything to say about President Roosevelt's letter to the Interstate Commerce Commission.

was assed if he had anything to say about President Roosevelt's letter to the Interstate Commerce Commission.

"I have read the letter as published in the papers," he said, "and have been too busy to go into its details, but I will say there is no doubt that President Roosevelt's sympathies are with the downtrodden and he is not afraid of letting it be known. He has shown an active sympathy, while desiring to be fair, with the workers, and I believe his letter will clear up the situation by starting an investigation which will bring out facts that the public ought to know. Strikes are to be avoided except as a last resort, and in nine cases out of ten if both sides are willing for arbitration a strike could be avoided. The wages of the railroad men could not stand a reduption. The cost of living has been increasing faster than the wages, which, in fact, have not been increasing at all."

PROSECUTION OF LABOR TRUSTS A Subject Which the Department of Justice

Has Not Yet Con Washington, Feb. 20.-It, was said on authority to-day that the prosecution of labor unions for maintaining a boycott on manufactured products entering into interstate/commerce is a matter which has not been considered by the Department of Justice. The fact is, as brought out by the Attorney-General in an informal conversation to-day, the Administration is particularly interested in those phases of the Supreme Court's recent "labor decisions" which can be made to apply to capitalistic

Mr. Bonaparte explained that while the court's opinion in the Danbury hatters' case had established the fact that the victim of a boycott may obtain triple damages the opinion was exceedingly broad in its scope. It had solved some of the doubts which the Attorney-General has entertained in regard to prosecutions against some of the so-called trusts other than labor trusts, and in one case, heretofore a matter of doubt, the Government has decided to go ahead with a prosecution. It was added that in several other cases the Government would probably reach a similar decision.

Mr. Bonaparte did not care to discus to-day any question of prosecuting a labor union. No case had been brought to his attention specifically and no official infor-mation had reached the Department that the organ of the musicians' union is still publishing an "unfair list" inviting a boycott of certain manufacturers of pianos The ways of the law are considered devious in such matters, Mr. Bonaparte describing his position as Attorney-General as like that of a spider in the middle of its web. The prey may become entangled in the edges of the web, but the spider must thread his way through its intricate meshes, confining himself to certain lines of progress,

and the prey sometimes escapes. The Department of Justice is not at all clear in regard to the question whether a labor union can be dissolved under the Sherman anti-trust law for maintaining a boycott on goods entering into interstate merce, although the opinion is, of course that the Government would be obliged to show that the union was organized for the purpose of effecting a restraint of trade. However, the subject has not been examined with a view of prosecuting any labor union under the Federal anti-trust laws.

RAILROADS ASK FOR MORE TIME. General Protest Against the Enforcement

of the Nine Hour Law. WASHINGTON, Feb. 20 .- Despite one formal ruling and many statements to the effect that it has no alternative but to enforce the law prohibiting railroads from permitting or requiring telegraph operators and train despatchers from working more than nine hours in a twenty-four hour period the Interstate Commerce Commission continues to be deluged with petitions praying for a postponement of its enforcement Among the roads which have so petitioned the commission is the Wabash, besides nearly all the roads in the Middle West, all of them in the South and many in the

East. The law becomes effective on March 4. Under its provisions the commission may suspend it "in particular cases after full hearing," but the commission has no authority to suspend it in the case of an entire railroad system, as is prayed for in peti-tions received. The law is regarded as one of the most arbitrary statutes ever passed by Congress. This has come to be realized by leaders in both House and Senate.

The measure has been so strongly urged by labor leaders, however, and there is such bitter opposition to any change in it that not a single bill proposing amendments the act has been introduced in either anch of Congress. The railroads say that under present

conditions they are unable to comply with the law. Its literal enforcement means, they say, that thousands of stations throughout the country will be closed part of the day and many of them put out of com-

dission altogether. The contention is made that there are not a sufficient number of competent operators to man all offices in the manner re-

quired by the nine hour law.

A hearing on the petitions urging an extension of time will be held by the commission on Fetruary 27. Nearly all the milroads in the United States will have representatives in attendance at the hearing

BROWNSVILLE UP NEXT WEEK. Senate Committee Makes the Report the Order of Business for Tuesday.

WASHINGTON, Feb. 20.-The Senate Committee on Military Affairs has agreed to make the Brownsville report the order of business at the meeting next Tuesday. The matter has slumbered for several weeks. The responsibility for the delay is a matter of divided oninion among the members of the committee. Senator Foraker has his

report already printed and said three weeks ago at a meeting of the committee that he was ready to report any time

Other members of the committee have said that the committee had delayed its report out of consideration for the Ohio Senator, who was waiting until pressing enator, who was waiting until pressing political matters in Ohio were disposed of it is said that not fewer than four reports representing as many shades of opinion, will be submitted to the Senate. It is not will be submitted to the Senate It is not regarded as at all likely that the committee will make a report on Tuesday, but it was said by Senators representing all shades of opinion that the report would not be delayed much longer than a week from Tuesday.

Public Utilities Commission for the District

of Columbia. Washington, Feb. 20.—Chairman Smith of the House Committee on the District of Columbia said to-day that a bill would be introduced to provide for the appointment by the President of a public utilities commission of three members, whose recommendations to Congress shall be the basis of all laws enacted governing public utilities corporations in the District of Columbia and regulating the prices they shall charge for their products and services.

Militia Bill to Be Reported Favorably. WASHINGTON, Feb. 20 .- The House Committee on Militia to-day authorized a favor-able report on the bill to increase the effiof the militia of the various States The bill amends the Dick militia law chiefly in accordance with the recommendations of the National Guard Association made at its recent session in Boston. These recom-mendations have the indorsement of the

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LILLEY CHARGES CORRUPTION IN PROCURING CONTRACTS.

Offers a Resolution in the House for a Special Committee to Investigate the Conduct of the Electric Boat Co. and Its Predecessor, the Holland Co.

WASHINGTON, Feb. 20 .- Representative Lilley of Connecticut, a member of the House Committee on Naval Affairs, to-day offered in the House a resolution to appoint a special committee of five members to nvestigate the conduct of the Electric Boat Company of New Jersey and itf predecessor, the Holland Boat Company, respecting the methods employed by those companies in connection with past and present legislation before Congress. The Electric Boat Company is the builder of all the submarine torpedo boats now in the navy and not long ago a centract was awarded it for seven additional submarines after a competitive test of boats offered in competition.

The present trouble dates back to the naval appropriation bill of last year, which carried \$3,000,000 for the purchase of submarines after competitive tests under the direction of a naval board. One of the requirements of the law was that no boat hould be purchased which was not the equal of any submarine then in the navy or under construction for the navy. Exhaustive tests were held at Newport last May, which resulted in a decision by the naval board, of which Capt. Adolph Marix was chairman, that the Octopus type, built by the Electric Boat Company, was a superior type of naval weapon over the boat of the Lake Submarine Corpedo Boat Company of Bridgeport, Corn. This report of the board was unanimou ly

approved by the Board of Construction, and following this action Secretary Metcalf warded contracts to the Electric Boat Company for seven submarines of the Octopus type. Acting on an opinion of the Attorney-General, however, he withheld a part of the appropriation and recently gave the Lake company a conditional contract, by which the Government agrees to accept one of its boats at \$425,000 if after trials and tests it comes up to the standard fixed bythe law, otherwise there is no obliga-

tion on the part of the Government.

When the submarine feature of the building programme was reached by the naval committee in this year's bill the committee adopted the same standard of requirements for submarines and authorized the Secretary of the Navy to purchase eight additional boats. At that time in committee Mr. Lilley made various charges, but it was believed that he was only representing believed that he was only representing the interests of his constituents, the Lake boat's plant being located in his district, and the committee decided to ignore his

statements.
Mr. Lilley's statement intimated charges of corruption but was not substantiated with any facts. The vote of the committee, aside from Mr. Lilley, was practically unanimous in fixing the standard upon which the Secretary of the Navy should which the Secretary of the Navy should exercise discretion in purchasing boats of this class. Members of the committee are highly indignant at the action taken by Mr. Lilley and declare that it impugns the honor of every man on the committee. Some of them say that the fullest investigation should be had in order that the entire committee may be vindicated of what they declare to be the outrageous charges and insinuations of their fellow member. They point to the fact that Mr. Lilley himself voted for the \$3,000,000 appropriation of last year and that if there was corrupself voted for the \$3,000,000 appropriation of last year and that if there was corruption then he was as guilty of complicity in it as any one. They point to the further fact that the present bill carries no appropriation for submarines and only authorizes them and fixes a standard which all boots must must hefore they can be bought. coats must meet before they can be bought Mr. Lilley's resolution was referred to the Committee on Rules and no action has

been taken on it, When Mr. Lilley was asked to-night to explain why he introduced the resolution

"By the time those boats are constructed it is fair to presume that there will be improvementa in submarine construction. take advantage of these improvements To illustrate:

"The battleship Vermont was commenced last August. To-day she is practically an obsolescent ship. Our latest type of war vessel could demolish three of her. Despite the almost constant changes in naval construction these eight submarines have been contracted for, thereby forcing down the throat of the Department twice down the throat of the Department twice as many submarines as they have asked for. The Naval Committee, by a majority vote, has taken from the President, the Secretary of the Navy and the Naval Board the powers invested in them and placed it in the hands of the Holland Submarine

Mr. Lilley was asked if he favored a submarine of the Lake type, over which the Octopus was victorious in the Government trials at Newport last May. "No," he said, "I do not, All I ask for is a fair deal. I merely demand that the power to order boats and select types be left where it belongs, namely, with the President, the Secretray of the Navy and with the Naval Board."

WATERBURY, Conn., Feb. 20.—Those who have watched Congressman Lilley" attitude. have watched Congressman Lilley's attitude are not surprised at his attack on the sub-marine methods. He had told close friends that he had been offered bribes by submarine boat people and that any fearless, honest man in Congress stood in constant jeopardy of attacks of the submarine interests if not willing to yield to their blandishments. These interests, he says, have done more to corrupt Congress in ten years than any one agency. On one occasion in this city these people approached Mr. Lilley, it is known, and offered him a bribe that ran into five figures. He says in each of his campaigns financial support of the submarine boat people had been offered him if he pledged his vote to their measures before Congress, but he refused. Mr. Lilley is well known as a fighter and his conflict with these submarine people will be watched with interest. These interests, he says, have done more to

Mr. Lilley was asked if he favored a sub-

ISAAC L. RICE REPLIES.

President of Electric Boat Company Defends His Submarine. Isaac L. Rice, president of the Electric Boat Company, of which the Holland Submarine Boat Company is a subsidiary, was seen at the St. Regis last night. Mr.

"I know nothing about this matter and have nothing to say about it further than this that we are builders of the type of submarine torpedo boats which the naval trial board unanimously decided, after exhaustive comparative tests last summer, to be the best submarines ever constructed. We were not afraid of competition then and are not now. As to the number to be purchased, that is for the Government to

decide. Naturally we will be glad to furnish whatever they think the needs of the country and the navy require.

"It looks to me as if this whole muss had been stirred up by the Lake company of Bridgepots, Conn. The resolution, at any rate was offered by Congressment. any rate, was offered by Congressman Lilley, a Connecticut member. In the tests held before the Marix board off Newport last spring, which lasted over a month and were the most exhaustive that any submarine craft have ever been subjected to, the Lake people were outleassed gen-erally by us, as the report of the board will

"After the result of the trials the Lake people wanted us to buy them out and we wouldn't. "The charges of favoritism and of undue influence brought to bear on the Naval Com-mittee of the House are contradicted by

e official documents.

"The allegation that we maintain one of "The allegation that we maintain one of the most lavish and expensive lobbies in Washington is absurd. I don't even know exactly what a lobby is. As for Mr. Quigg, who is supposed to be con-

J. C. FARGO'S NAME FORGED How ard C, Green, His Secretary, Arrested

Howard Carter Green, who for four years had been in the employ of James C. Fargo, president of the American Express Company, and for the last two years was Mr. Fargo's private secretary and confidential bookkeeper, was arrested yesterday in Portland, Ore., at the request of the District Attorney's office here. He has been under indictment here for several months on four counts, two of forgery in the first degree, one of larceny in the first degree

and one of larceny in the second. The amounts named in the indictment are \$731.25 and \$406.24, but Assistant District Attorney Miner said yesterday that the peculations exceeded \$3,500. The prosecution is said to be in possession of the checks for the amounts named on which Mr. Fargo's indorsement had been forged. Mr. Fargo said vesterday: "Green was

employed in a confidential capacity by me, and whatever act he committed was not in any way concerned with the American Express Company. The arrest was made at the instigation of the Title Guarantee and Trust Company. The young man forged my name to checks for about \$1,200 and then deposited the checks to his own account in the Title Guarantee and Trust Company When I discovered the forgery I went back at the trust company to recover the amount, and then the company proceeded to discover the whereabouts of Green, who had skipped

out of town."

Mr. Fargo is the owner of nine of the ten three story dwelling houses on the north side of West 139th street, between Eighth and Edgecombe avenues. It was Green's duty to deposit checks for rent to Mr. Fargo's account in the Knickerbocker Trust Company. Assistant District Attorney Miner said that when Green got the checks in question he forged Mr. Fargo's name and deposited them in the Title Guarantee and Trust Company, where he kept his own

account.

Green disappeared in November. The District Attorney's office learned that he was soon to be married to a young woman in this city. A watch was kept on her mail and Green's whereabouts thus learned. He was found by Pinkertons at the home of his aunt in Portland. He denies knowledge of the alleged thefts.

Detective Flood of the District Attorney's office and Lieut Domenick of the Central office and Lieut. Domenick of the Central Office will start for Portland to-day with

extradition papers.

Persons who knew Green said yesterday they had no idea what he did with the money. He was a motor boat enthusiast, but had no bad habits, they said.

FOR RELIEF OF COAL ROADS. Preparing a Case to Test the Validity of the

Commodity Clause of Rate Act. WASHINGTON, Feb. 20.-With a view of preparing a case to test the validity of the so-called commodity clause of the railway rate act of 1906 the Attorney-General has appointed L. Allison Wilmer a special Assistant Attorney-General. Mr. Wilmer will immediately begin the preparation of the case and he will be assisted by T. C. Spelling, who has been also appointed a special Assistant Attorney-General.

The anthracite coal roads of Pennsylvania

are expected to prepare their case for as early a hearing as possible, these roads being the principal carriers affected by the commodity clause, which will become effective on May 1 next.

Some time ago the coal roads asked the Attorney-General to suspend the enforcement of this clause, pleading that the present was an unfavorable season in which odireces of their coal properties. The

to dispose of their coal properties. The Attorney-General replied that he could not suspend the operation of the statute, but it was agreed that a test case should be pared as soon as possible.

charges of Impeachment Presented to the House and Referred to Committee. WASHINGTON, Feb. 20 .- Mr. Waldo (Rep.

N. Y.) to-day presented to the House of Representatives the charges of impeachnent against Lebbens R. Wilfley, Judge of the United States court in China, contained in the petition filed yesterday by Lorrin R. Andrews, a practising attorney, in behalf of himself and other attorneys deprived of te and right of pursuing their

the privilege and right of pursuing their profession in his court. Accompanying the charges was a resolu-tion referring the matter to the Committee on the Judiciary for examination and report as to whether or not articles of impeach ment should be reported to the House. At the suggestion of Mr. Payne (Rep., N Y) the resolution was referred to the committee, with instructions to report within ten days what, if any, proceedings should

BIDS FOR ARMY BALLOON. All But One That of Capt. Baldwin Ellminated From Consideration.

WASHINGTON, Feb. 20 .- Alle the bids ecently opened by the chief signal officer of the army for furnishing a dirigible balloon have been eliminated from consideration by the board of awards with the exception of one, that of Capt. Thomas S. Baldwin of New York city, who offered to construct a machine for \$8,750 in 150 days. The bid of Peter Cooper Hewitt of New York city, who proposed to build a dirigible for \$20,000 in 200 days, was unfavorably acted upon by the board because the price was regarded as too high and some of the eatures of his plans were considered im-practicable. The chief signal officer is in correspondence with Capt. Baldwin, and if an award is made it will probably be announced within a few days. There is no certainty, however, that such action

Referee Board to Settle Pure Food Disputes. WASHINGTON, Feb. 20.-The President to-day announced the following referee board to consider disputes arising in the administration of the pure food law: Ira Remson, M. D., Ph. D., LL. D., director, president Johns Hopkins University; Russell H. Chittenden, Ph. D., LL. D., director Sheffield scientific school, Yale University, and professor of physical chemistry, Yale University; John H. Long, B. S., Sc. D., professor of chemistry, medical school, Northwestern University, Alonzo E. Taylor, M. D., professor of pathology, University of California; Dr. C. A. Herter, professor of physical chemistry, College of Physicians and Surgeons, New York, and special investigator of foods. o-day announced the following referee

To Substitute Fuel Oil for Coal in the Canal Zone.

WASHINGTON, Feb. 20 .- The Isthmian Canal Commission is about to substitute fuel oil for coal in its various machine fuel oil for coal in its various machine shops and power houses and wherever practicable under its stationary boilers throughout the zone. Under the contract with the Union Oil Company of California that company is required to furnish crude oil at any convenient point on its pipe line to the Canal Commission or to the Panama Railroad Company at the rate of 90 cents a harrel. The company has in operation barrel. The company has in operation an eight inch pipe line across the isthmus, practically paralleling the Panama Rallroad main line, with extensive storage tanks at Laboca on the Pacific side and at Mount Hope on the Atlantic side

Movements of Naval Vessels.

WASHINGTON, Feb. 20 .- The battleship Nebraska has arrived at San Francisco, the cruiser Chicago at Punta Arenas and the collier Hannibal at Boston.

The battleship Mississippi has sailed from Hampton Roads for Guantanamo and the cruiser Cleveland from Cavite for

For a Monument to Martin Van Buren WASHINGTON, Feb. 20 .- Representative McMillan of New York to-day introduced a bill to appropriate \$10,000 for the erection of a memorial to Martin Van Buren, eighth President of the United States, at Kinder-hook, Columbia county, N. Y.



Have you ever noticed the wheels of a great locomotive spinning helplessly around on a slippery track? A little sand is worth more here than much steam.

The tracks leading to public confidence and demand are fairly slippery; your goods may have plenty of steam, but you need advertising, which is the sand that enables your merit to "catch on."

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THE SATURDAY EVENING

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This (Friday) and Saturday afternoons AT 2:30 O'CLOCK The

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The Sale will be conducted by Mr. TROMAS E. KIRBY, of the AMERICAN ART ASSOCIATION, Managers 8 East 23d St., Madison Square South,

DEFENCE'S DAY IN GRAFT CASE. Ex-Gov. Pennypacker and Others Deny Evidence of Assistant Architect Lewis,

HARRISBURG, Pa., Feb. 20 .- The defence cored heavily in the Capitol trial to-day. Both ex-Governor Pennypacker and ex-Auditor-General Snyder swore that the testimony of Assistant Architect Lewis, the chief witness for the prosecution, was false. Dr. Snyder offered an explanation of practically all the evidence of the State reflecting on his conduct in connection with the capito furnishings.

Mr. Pennypacker declared that it was "false, weak and cowardly" for Lewis to say that the letter of Architect Huston to . Attorney-General Carson, in answer to Carson's request for information as the weighing and measuring of furniture was a "whitewash" prepared at a conference with the Governor and the Auditor-General. The ex-Governor explained that the

conference related wholly to the letter of the Board of Public Groundsland Buildings to Carson; and not to Huston's letter at all; that he had called in the architects after preparing the letter, so that they Snyder flatly denied the testimony of

Lewis that he (the Auditor-General) had designated the item numbers by which rates of charge were fixed for various articles. He declared he did not name a single item number but insisted that the architects should do so, and they did. In his own defence Snyder said the

"special schedule" under which bids were asked for the Capitol furniture was prepared before he took office, that Huston had told him he prepared it, that he found Huston already engaged as architect for the furniture and the contract let for the metallic furniture.

Advance payments to Contractor Sanderson of \$125,000 in 1904, before the fur-

niture was received. Snyder explained by saying that Sanderson had the goods ready before the building was in shape to recdy before the building was in shape to receive furniture. Sanderson complained that he couldn't hold the furniture unless he received his money. After talking it over with Huston, who said it would be all right, Snyder directed Supt. Shumaker to certify to the receipt of the goods and Treesurer Mathues to pay the bills, but required Sanderson to give bonds to protect the State until the delivery of the

furniture.
The claim of the State, through Lewis the claim of the State, through Lewis, that Architect Huston was employed merely to design the furniture and not to see to the proper fulfilling of the contract Dr. Snyder declared to be false. In proof of his position he identified ten bills rendered by Huston for services as architect to a total of \$230,000, all of which bills were for the services in making plans and professional services in making plans pecifications and "superintendence" in terior furnishings for the Capitol.

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Ready to serve from the package, and contains all the food elements of wheat and barley which rebuild tissues. store up energy-and replace wasted brain and nerve cells.

A Grape-Nuts breakfast is "stayer" for the forenoon-

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